

## DIRECT MAIL

### What is Direct Mail?

Direct mail advertising is a system of marketing in which all forms of advertising are sent directly to prospective customers without using one of the commercial media forms. It is used by large and small companies. It is often used as first advertising medium for new companies.

Direct mail offers the advertiser the straightest method to the desired customer. It is successful because it meets the needs of today's fast lifestyles and is the most effective medium for generating immediate results. It is efficient, effective, and economical medium for promotion.

### Types of Direct Mail

1. E-mail is best used for customer retention and relationship management.
2. Sales letters are often mailed with brochures, price lists, or reply cards/envelopes and are the most common direct-mail format.
3. Postcards are used to announce sales, offer discounts, or generate customer traffic.
4. Business reply mail enables the recipient of direct-mail advertising to respond without paying postage.
5. Folders and brochures are usually printed in multiple colors with photos or other illustrations on good paper stock.
6. Broadsides, which fold to a compact size to fit in a mailbag, are larger than folders and are sometimes used as window displays or wall posters in stores.
7. Self-mailers are any form of direct mail that can travel without an envelope.
8. Statement stuffers are ads enclosed in monthly customer statements from department stores, banks, etc.
9. House organs are publications produced by associations and business organizations, such as reports, newsletters, etc.
10. Catalogs are reference books that list, describe, and often picture products sold by a manufacturer, wholesaler, or retailer.

### Pros of Direct Mail Advertising

- Selectivity.
- Intensive coverage and extensive reach.
- Flexibility.
- Control.
- Personal impact.
- Exclusivity.
- Response.
- Testability.

### **Cons of Direct Mail Advertising**

- High cost per exposure.
- Highest cost after personal selling and Internet consumer targeting.
- Delivery problems.
- Lack of content support.
- Selectivity problems.
- Negative attitudes.
- “Junk Mail” image
- Environmental concerns.

### **Buying Direct Mail Advertising: List Acquisition**

House lists are comprised of a company’s database of current, recent, and long-past customers, as well as future prospects.

Mail-response lists are the house lists of other direct-mail advertisers that can be rented with a wide variety of demographic breakdowns. Advertisers usually use lists from companies with complementary products or services.

Compiled lists are direct-mail lists that have been compiled by another source, such as lists of automobile owners, new home purchasers, etc., and can be bought by direct mail advertisers. This is the most readily available type of list and offers the lowest response expectation.

### **Buying Direct Mail Advertising: Production & Distribution**

Production involves creating a direct-mail package. The size and shape of mailing package and type, illustrations, and colors affect printing costs. The larger the printing volume (run), the lower the printing cost per unit.

Letter shops (or mailing houses) often handle remaining production and handling tasks including stuffing and sealing envelopes; affixing labels; calculating postage; sorting, tying, and stacking the mailers; and delivering mailers to post office. Cost is calculated on a cost-per-thousand basis.

Distribution costs are based chiefly on weight of mailer and delivery method.

- U.S. Postal Service -- most common delivery method
- Air Freight
- Private Delivery Services, like UPS and FedEx